

America and England was thenceforward regulated by the intrinsic value of their gold coins alone, a change which became more apparent in 1816, when England adopted the gold standard exclusively, and made her silver coins tokens only by coining the same weight of silver into 66s., which had previously (since the year 1666) been coined into 62s. The average value of the dollar of Spanish and American coinage in 1795, 1798 and 1803 was 4s. 4d. stg., calculated at the Mint rate of 5s. 2d. sterling per ounce. In other words the par of exchange on the basis of the dollar was $3\frac{1}{2}$ premium on old par. The Federal dollar remained unchanged until 1837, when it was reduced. The weight was made 412 $\frac{1}{2}$ grains, and the fineness $\frac{9}{10}$; since that time the dollars and smaller coins were still further reduced, but without affecting the exchanges. for, as before stated, all estimation of exchange after 1793 should be made on gold and not on silver standard.

In order then to ascertain the various changes of new par since the revolution, the gold currency of England must be considered. This had been fixed by advice of Sir Isaac Newton in 1717, and has ever since remained unchanged. One pound of gold, of 22 parts pure to 2 alloy was, and is yet, coined into £46 14s. 6d.; but the Eagle, the standard American gold coin, has undergone three changes as follows:—

VALUE OF THE EAGLE COMPARED WITH THE SOVEREIGN.

Date.	Weight.	Fineness.	Weight of Fine Gold.	Value stg.	Par.	Value of Sovereign in U. S.
1792	270 gr.	Same.	247 $\frac{1}{2}$ gr.	43s. 9d.	2 $\frac{1}{2}$	4.57 £ stg.
1834	258 gr.	$\frac{890}{1000}\frac{1}{4}$	232 gr.	41s. 3d.	9 $\frac{1}{2}$	4.87 £ stg.
1837	258 gr.	$\frac{900}{1000}$	232.2 gr.	41s. 9d.	9 $\frac{1}{8}$	4.87 £ stg.

It therefore clearly appears how the present par of exchange became fixed at so large a premium upon the old par of Queen Anne.

These changes in the value of the United States coinage affected in course of time the legal par of the loyal colonies. The currency of Canada was for a long period in great confusion, for having no Colonial coinage, the coins of all nations passed at values fixed by Statute with little apparent relation to intrinsic value. The first Statute is that of 1777. In 1795 the Customs Act declares that £5,000 stg. is equivalent to £5,555 11s. 1 $\frac{1}{2}$ d. currency. The old par of 1707 was evidently then the legal par. In 1808 a Currency Act was passed enumerating the most common coins—these were French coins, remaining from the period of French rule, Spanish and Portuguese coins, and United States coins. The guinea (21s. stg.) was valued at 23s. 4d. currency, the 1s. stg. at 1s. 1d., the the Eagle at 50s., and the Spanish and American dollar at 5s. Thus the attempt was made to keep the currency at old par when reckoned in English coins, and at 2 $\frac{1}{2}$ prem. (or American par) when reckoned in United States coins. For if the guinea (21s.) was worth only 23s. 4d. currency, the eagle, which at that time was of intrinsic value for 43s. 9d. stg., could be worth only 48s. 7d. currency, instead of 50s. as enacted. The shilling sterling was undervalued as regards the dollar in the same ratio. This seems to have had the very natural effect of driving all the British coins out of circulation, and in 1825 an Imperial Order in Council was issued, fixing the value of the dollar at 4s. 4d. stg. in British silver coin, and making

provision for the introduction into the colonies of British silver in large quantities, by means of the Commissariat, and ordering that such coin should pass at its nominal value as in England. These regulations do not appear to have had much effect, for in that same year the value of the shilling was raised in Upper Canada to 1s. 2d. currency. In 1836 the same Province again raised the value of the shilling stg. to 1s. 3d. currency, and also fixed the value of the pound sterling at 24s. 4d., assimilating the legal par to the change of 1834 in the United States par, but over-valuing the sterling shilling.

An effort was made in 1839 by both Provinces to remedy this anomaly, but the bills passed failed to receive the Royal assent, and it became one of the first duties of the Parliament of United Canada in 1841 to remedy the confusion. The par of 24s. 4d. to the £ stg. was retained, but the silver was reduced to its proper proportionate value, and could only be used as a legal tender to the amount of 50s. currency. The convenience of easy reckoning and the competition of traders still kept up the current value of the British shilling to 1s. 3d. in spite of the Act, and the currency gradually became overloaded with British silver.

The subsequent changes in our currency are too recent to require much notice. The dollar which in 1841 had been raised to 5s. 1d. was reduced in 1850 to 5s. And in 1851 the decimal system displaced the intricate and cumbrous denomination of pounds, shillings and pence. Every reader will recall the circumstances which led to the pouring of all the United States silver coinage into our already overloaded silver currency, and the various expedients vainly resorted to for relief until the effectual remedy of the then Minister Finance, Sir Francis Hincks, was applied. The Act of 1854 fixed our currency on its present basis, confirming the par of 1841 of \$4.86 $\frac{3}{8}$ or 24s. 4d. currency to the £ stg. or 9 $\frac{1}{4}$ per cent premium on the par of Queen Anne.

The Confederation of the British North American Colonies and the consequent extension of the Canadian par has left but two anomalous currencies among the English speaking people of this continent. In Newfoundland the par of 4.80 to the £, or 8 per cent premium prevails, and the little Island of Prince Edward still rejoices in the enormous premium of 35 $\frac{1}{4}$ per cent or 30s. to the pound stg. We may surely hope that the time will shortly arrive when, not only these anomalies will disappear, but when the mother country will adopt a decimal system which will facilitate computation, and thus increase trade with all her children throughout the world.

Change of Conventional Basis of the Par of Exchange.

Since the foregoing article on "Old Colonial Currencies" went into type, we have received "*The Christian Union*," New York, in which we find the following:

A recent Act of Congress overthrows that long-established law of exchange which makes 4 dollars 44 cents and 4 mills equal to one £ sterling. The value of the £ at the United States Mint will, after the 1st of January next, be 4 dollars 86 cents 6 $\frac{1}{2}$ mills in American gold coin. The conventional basis of \$4.444, though easy to remember, has always been inaccurate. After next New Year, then, the actual par of exchange will be 100 per cent., whereas its conventional value under the existing custom is 109 $\frac{1}{4}$ per cent. The quotations will, after that date, be at a discount or at a premium according to the ruling of the market, instead of as at present. Thus, what we now call 107 $\frac{1}{4}$ per cent. will be about 98 per cent., and what we